



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY MEDICAL COMMAND
HEALTH CARE ACQUISITION ACTIVITY
2050 WORTH ROAD, BUILDING 2792
FORT SAM HOUSTON, TEXAS 78234-6037

MCAA (25-55)

13 September 2000

MEMORANDUM FOR CHIEFS, MEDCOM HCAA CONTRACTING OFFICES

SUBJECT: Manpower Reporting Requirements Directed by Section 343 of the Fiscal Year 2000 DOD Authorizations Act, Policy Letter 00-04

1. References:

a. Memorandum, March 8, 2000, Deputy Assistant Secretary of the Army (Procurement), Army Implementation of Section 343..."

b. Interim Rule, Federal Register March 15, 2000 (Volume 65, Number 51) "Report on Use of Employees of Non-Federal Entities to Provide Services to Dept of the Army."

2. Purpose. Provide guidance to facilitate the implementation of, and compliance with, specified statutory reporting requirements contained in Section 343 of the Fiscal Year 2000 DOD Authorizations Act (herein referred to as Section 343).

3. Section 343 provides a data collection framework for compliance with USC 2461(g), which requires DOD to provide an annual report to Congress on the percentage of commercial functions performed by contractors as compared to in-house employees.

4. To allow DOD to compile the data, the contractor (holder of effected contract) must report direct labor hours, composite factors to estimate indirect hours and aggregate cost to the Office of the Assistant Secretary of the Army (Manpower and Reserve Affairs) (OASA(M&RA)).

a. OASA(M&RA) has established a secure website to facilitate submission of the data. Contractors logging on to <http://contractormanpower.us.army.mil> are provided with applicable laws and detailed instructions as well as all necessary data fields to input the relevant contractual information.

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b. The data must be reported coincident with the time of submission of the request for payment (e.g., contract vouchers, invoices, progress payments).

c. The reporting period must correspond to the duration of the period submitted for payment.

d. Submission of the data is the sole responsibility of the contractor.

5. The contracting activity is responsible for ensuring affected solicitations, contracts and contract orders contain the requirement.

6. Effective 15 March 2000, except as noted below, all solicitations and contracts for services must contain the requirement. Moreover, any existing service contracts (except as noted below) with an effective date of 1 October 1999 or later that are bilaterally modified should be concurrently modified to include the requirement. Contractors holding these modified contracts must initially report data from 1 October 1999, or inception of contract, whichever is later.

7. Reporting is not required for the following actions:

a. Contracts awarded IAW FAR 12.

b. Contracts with a total estimated or actual value of \$100,000 or less.

c. Orders issued against contracts valued at \$100,000 or less.

d. Contracts awarded in support of non-Army customers or end users.

e. Contracts under which the contractor's accounting system can not compile billable hours in appropriate direct and

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indirect pools or contractor does not have an internal payroll accounting system.

8. Except as noted in paragraph 7e., it is the contracting officer's responsibility to determine whether to include the

requirement in the solicitation or contract. If the contractor contends that their accounting system is inadequate to fulfill the requirement, DCAA liaison office at MEDCOM HCAA is available to advise the contracting officer regarding the legitimacy of this contention and to mediate any discussions with the contractor accordingly. However, the ultimate decision regarding compliance on these grounds rests with the contractor. The contracting officer or contract specialist shall document the file regarding any known instance of non-compliance based on this exception.

9. The OASA(M&RA) is responsible for reporting instances of non-compliance to the cognizant contracting activity. This will be accomplished primarily through DD350 reconciliation with the data collection website. The contracting activity is responsible for follow-up regarding instances of noncompliance once so identified by OASA(M&RA).

a. Follow-up should consist of enforcement of contract provisions (if the contract in question includes the Section 343 requirement), or

b. Inclusion of the requirement via bilateral modification if the requirement is not contained in the subject contract that otherwise meets the criteria for inclusion.

10. Enclosure 1 contains recommended language that should be included in affected solicitations, contracts and/or contract task orders.

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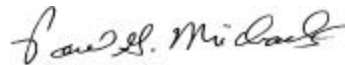
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11. Enclosure 2 is a copy of the Deputy Secretary of the Army
implementation letter.

12. The contracting activity should make every effort to assist
the contractor in ensuring the accuracy and appropriateness of
the data entered in each data field. Certain data field entries
(e.g., appropriations codes of specific line items or task
orders, name/address of Army organization most proximately
supported, etc.) are not necessarily self-evident and may
require assistance from the contracting activity to properly
code.

13. Our point of contact is Mr. Albert Jacob, DSN 471-3342 or
Commercial (210) 221-3342.

2 Encls



PAUL G. MICHAELS

LTC, MS

Principal Assistant Responsible
for Contracting

CF:

DCAA/Mr. Orlando Flores

HCAA/BOB-CAT Webmaster

Solicitations, Contracts and Contract Task Orders

Insert to *Part I—Schedule B*:

ATTENTION OFFEROR <or> AWARDEE: See Section G <or> specify as appropriate if no Section G> for instructions to comply with Congressionally mandated reporting requirements.

Insert to *Part I—Section G* (or equivalent in solicitation, contract or task order):

In order for the Department of the Army to comply with Title 10 U.S.C. Section 2461 and Section 343 of the FY2000 Department of Defense Authorization Act and ongoing requirements of Public Law 106-65, contractors performing work under this contract <or> any contract resulting from this solicitation **must** report direct labor hours and estimated cost associated with the reporting period. Data as referenced herein should be submitted by the contractor concurrent with request for payment (e.g. invoice, contract voucher, request for progress payments) and must cover the same time period as the requested payment. To facilitate collection of the data and to minimize the time invested by the contractor in compliance, the Office of the Deputy Assistant Secretary of the Army (Manpower & Reserve Affairs) has established a website at <http://contractor.manpower.us.army.mil>. In addition to step-by-step reporting instructions, the website contains information on the purpose of collection and the intended use for the data as well as links to a full text copy of Public Law 106-65 which established the requirement.

The Deputy Assistant Secretary of the Army (Manpower & Reserve Affairs) will oversee the aggregation of the data and insure exclusion of contract number and company name from any derivative use or report. Data provided will be protected as “company proprietary” and will not be released to other government agencies nor subject to release under the Freedom of Information Act without the express permission of the submitting contractor.

Compliance with this requirement is an **integral part** of the performance of this contract <or> any contract resulting from this solicitation. Compliance with this requirement will be utilized as an element in the Past Performance Information Management System (PPIMS).

Existing Contracts and Contract Task Orders Bilaterally Modified

In order for the Department of the Army to comply with Title 10 U.S.C. Section 2461 and Section 343 of the FY2000 Department of Defense Authorization Act and ongoing requirements of Public Law 106-65, the contractor **must** report direct labor hours and estimated cost associated with the reporting period. Within two weeks after the effective date of the modification which incorporates this provision, data as referenced herein should be submitted by <company name> corresponding to contract <or contract task order> performance from 1 Oct 99, or inception of contract <or contract task order>, whichever is later to the effective date of this modification. After initial submission, data should be submitted concurrent with request for payment (e.g. invoice, contract voucher, request for progress payments) and must cover the same time period as the requested payment. To facilitate collection of the data and to minimize the time invested by the contractor in compliance, the Office of the Deputy Assistant Secretary of the Army (Manpower & Reserve Affairs) has established a website at <http://contractormanpower.us.army.mil>. In addition to step-by-step reporting instructions, the website contains information on the purpose of collection and the intended use for the data as well as links to a full text copy of Public Law 106-65 which established the requirement.

The Office of the Deputy Assistant Secretary of the Army (Manpower & Reserve Affairs) will oversee the aggregation of the data and insure exclusion of contract number and company name from any derivative use or report. Data provided will be protected as “company proprietary” and will not be released to other government agencies nor subject to release under the Freedom of Information Act without the express permission of the submitting contractor.

Compliance with this requirement is an **integral part** of the performance of this contract. Compliance with this requirement will be utilized as an element in the Past Performance Information Management System (PPIMS).

ENCLOSURE 1



DEPARTMENT OF THE ARMY

WASHINGTON, D.C. 20310

08 MAR 2006

MEMORANDUM FOR HEADS OF ARMY CONTRACTING ACTIVITIES

SUBJECT: Army Implementation of section 343 of the FY2000 Department of Defense Authorization Act (Public Law 106-65), and On-going Requirements in 10 U.S.C. § 2461(g)

The Army is implementing section 343 of the FY2000 Department of Defense Authorization Act and on-going requirements in 10 U.S.C. Section 2461(g) effective immediately. Attached is a copy of the Interim Rule which is about to be published in the Federal Register. Effective immediately, Army contracting officers are directed to include in new solicitations and contracts, and any existing contracts bilaterally modified, a requirement that contractors providing services to the Army identify, itemize and report the cited manpower and appropriation information to the Office of the Assistant Secretary of the Army (Manpower and Reserve Affairs) web-based data collection site as described in the attached rule. The vast majority of the data collection effort is being absorbed by the OASA(M&RA) through the use of their interactive data collection web site. Contracting office involvement is limited to assuring that contracts contain the requirement (to include the appropriation and appropriation value information needed by contractors for reporting), and following up with contractors who fail to comply, upon notification of same from OASA(M&RA). OASA(M&RA) will primarily be using the DD350 data base as a basis for reconciliation and identification of contractors not in compliance with the Interim Rule. Expedited implementation is necessary by all Army contracting officers to mitigate burdens on contractors arising from retroactive reporting back to October 1, 1999, because of delayed implementation.

Army implementation of the Interim Rule is required to give senior Army leadership better visibility of the Army's reliance on contractors. The requirement for improved visibility of contractor services in support of the Army is particularly significant since the advent of DRID 20, and the Federal Activities Inventory Reform Act (FAIR Act). Under the FAIR Act, 95 per cent of the Army's civilian workforce has been determined to be not inherently Governmental. However, determining what is or is not inherently Governmental, the focus of the FAIR Act, is a different issue from determining what is appropriate for private sector performance. The Army may consider it imprudent to contract for functions designated as non-inherently Governmental based on risk assessment and national security considerations, or enlightened human resources management.

Obtaining better visibility and accounting for the Army's reliance on contractor services has been determined by Army senior leadership, in both the Secretariat and Army Staff, to be a critical ingredient of the Total Army Analysis risk assessment



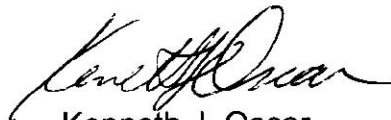
process. Indeed, in response to Congressional concerns about the potential impact of the FAIR Act and increased reliance on contractors, the Army senior leadership is seeking, and has committed, to give better visibility to the impact of contracting for services through its implementation of Section 343, as a means of improving its ongoing compliance with section 2461(g) of title 10. The Army leadership has assured Congress that it has left room open in its FAIR Act deliberations for the use of this contractor information in the future for the purposes of exempting functions from private sector performance in the event we believe we have gone too far in contracting a core capability. Pro-active Army implementation of section 343 could significantly affect Army credibility in its dealings with Congress and forestall further reductions in the civilian workforce or the budget for advisory and assistance contracts.

Implementation of this Army Interim Rule may not directly relate to the traditional mission of Army contracting offices or to instant contract performance objectives. Nonetheless, proactive implementation of the Interim Rule by Army contracting officers, *and compliance by our contractors, will benefit the Army and Department of Defense overall.* As professional business managers integral to the success of this important initiative we seek your commitment and cooperation in expediting its effective implementation. We challenge both of our staffs and field activities to make this work.

Points of contact for our respective organizations are Dr. John C. Anderson, SAMR- FMMR, 703-614-8247 and John R. Conklin, SAAL-ZPA, 703-681-7555.



Robert Bartholomew III
Acting Deputy Assistant Secretary
(Force Management, Manpower
and Resources)



Kenneth J. Oscar
Deputy Assistant Secretary of the Army
(Procurement)

Attachment
CF:
SAMR-FMMR
SAAL-ZPC
SAGC